

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

## **OIL, GAS AND MINERAL LEASE**

THIS AGREEMENT made this 17<sup>th</sup> day of March, 2009, between **ALLIANCE HOTEL II, LTD.**, Lessor (whether one or more), whose address is c/o Charles Dubroff, 9616 East A.W. Tillinghast Road, Scottsdale, Arizona 85262 and **QUICKSILVER RESOURCES INC.**, Lessee, whose address is 777 West Rosedale Street, Suite 300, Fort Worth, Texas 76104, WITNESSETH:

1. Lessor in consideration of Ten and no/100 and other good and valuable consideration Dollars (\$ 10.00 & OVC ), in hand paid, of the royalties herein provided, and of the agreements of Lessee here contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

**All that certain tract or parcel of land situated in the A.C. Warren Survey, A-1687, Tarrant County, Texas, as more particularly described in that certain Special Warranty Deed dated effective December 9, 1997, between Hillwood/2470, Ltd., as Grantor and Alliance Hotel II, Ltd., as Grantee, recorded at Instrument # D197230511 of the Official Public Records of Tarrant County, Texas, and containing 2.5 acres, more or less.**

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **Three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one fourth (1/4) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one fourth (1/4) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one fourth (1/4) of the amount realized from the sale of gasoline or other products extracted therefrom and one fourth (1/4) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be paid directly to Lessor at the above address, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit, and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 90 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Intentionally deleted.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

Additional Provision: Exhibit A is hereby incorporated into this Oil, Gas and Mineral Lease.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

ALLIANCE HOTEL II, LTD.

by Alliance Suites, Inc., its general partner  
Charles Dubroff

By: Charles Dubroff, ~~Managing Partner~~ President

QUICKSILVER RESOURCES INC. KS

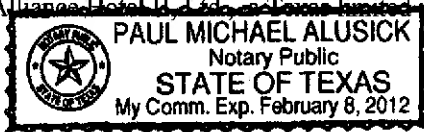
Kathleen A. Boone

By: KATHLEEN A. BOONE  
It's: ATTORNEY-IN-FACT

**ACKNOWLEDGMENT**

STATE OF Texas §  
COUNTY OF Tarrant §

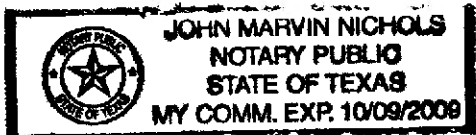
Alliance Suites, Inc. This instrument was acknowledged before me on the 15 day of April, 2009 by Charles Dubroff, President and Managing Partner of Alliance Hotel II, Ltd., a Texas limited partnership, on behalf of said partnership.



[Signature]  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 17th day of March, 2009 by Kathleen A. Boone, Attorney-in-Fact of Quicksilver Resources Inc., a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

## **EXHIBIT A**

This Exhibit A is attached to and made a part of that certain Oil, Gas and Mineral Lease dated March 17, 2009 (as so modified and amended by this Exhibit, the "**Lease**"), by and between ALLIANCE HOTEL II, LTD., Lessor and QUICKSILVER RESOURCES INC., Lessee.

**A. No Surface Usage on leased premises:**

Notwithstanding anything in the Lease to the contrary, Lessee agrees that no drilling, prospecting, mining operations or other operations may be conducted, nor any pipelines or any structure or facilities or improvements of any kind may be constructed or placed upon the surface of the leased premises. Lessee hereby expressly releases and waives all its rights and the rights of its successors and assigns to enter upon and use the surface of the leased premises for any purpose. Without the prior written consent of Lessor, no seismic testing will be allowed on or under the leased premises. Lessee shall have the right to prospect, drill, mine, and produce said minerals by operations conducted on lands adjoining the leased premises.

**B. The Royalties to be Paid Lessor are as follows:**

On oil, gas, and other liquid hydrocarbons produced from the leased premises and lands pooled therewith, the royalties to be paid to Lessor shall be twenty five percent (25%) of that produced from the production attributable to the leased premises and lands pooled therewith, the same to be delivered to the credit of Lessor, free of all costs of production or delivery, as described below, into the pipeline to which the leased premises and lands pooled therewith may be connected. If Lessor does not take such production in kind, Lessee shall market such oil and gas at its market value, and the royalties payable hereunder shall be computed on such market value. If such oil and or gas is marketed by Lessee, "market value" shall mean the proceeds received by Lessee in an arms length, good faith transaction with a third party purchaser, who is not a Subsidiary or affiliate of Lessee. If Lessee sells gas in good faith to a third party who is not a Subsidiary or an affiliate of Lessee, and the gas is sold at a point off the leased premises, the Lessor's royalty shall bear its pro rata share of reasonable transportation costs to such point of sale, notwithstanding the provisions of this paragraph.

**C. Market Value of Produced Products:**

It is expressly understood and agreed by, and is the intent of Lessor and Lessee that Lessor's royalty payments shall include the total amount realized by Lessee for any and all products produced pursuant to the Lease, including any and all marketing premiums and bonuses, litigation settlements and awards, and all other payments received by Lessee as a consequence of the production of any and all products produced pursuant to the Lease. Nothing contained herein shall relieve Lessee of its express obligation to act on behalf of Lessor in the marketing of Lessor's share of production for the maximum possible price. Except as to Lessee's marketing, disposition, sales and accounting of Lessor's share of production, nothing contained in this Lease is intended to, nor shall be construed as, imposing upon Lessee fiduciary or other obligations except as expressly provided herein or imposed by applicable law.

**D. No Warranty of Interest:**

This Oil and Gas Lease is made by Lessor without warranty of any kind as to title of the Lease. Lessor shall cooperate with Lessee, without any expense to Lessor, in any defense of the title thereto. Lessee shall pay all taxes levied against Lessee's plants, machinery and personal property and all taxes (except those payable on Lessor's royalty share of the minerals only) assessed upon the mineral rights leased to Lessee or assessed upon or measured by production from or allocated to the Lease and all other taxes assessed against the Lease. Lessor shall pay all taxes assessed against its royalty share of taxes assessed upon mineral rights and assessed upon or measured by production from or allocated to the Lease. If Lessor shall fail to pay any taxes, assessments or charges required to be paid by Lessor, Lessee may, at its option, pay the same and reimburse itself therefor out of any future royalties or rentals accruing hereunder. It is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided.

**E. Indemnification:**

Lessee and its contractors agree to reimburse and to indemnify, defend and hold Lessor, Lessor's partners, members, officers, managers, and advisers among the indemnified parties described herein, harmless from any and all claims, demands, causes of action, liability, loss, damage or expense of every kind and nature, including but not limited to, attorney's fees and costs, which are caused (in whole or in part) by or arising out of Lessee's (a) negligence or the negligence of any of Lessee's employees, agents, contractors, contractor's employees, (b) strict liability, (c) environmental damage, (d) violation of laws, (e) breach of any term, covenant or condition of the Lease, relating to exploration, development and/or production operations or related activities conducted pursuant to the provisions of this Lease, regardless of whether such damages may be caused by the concurrent negligence (but not sole negligence) of Lessor, for the death or personal injury of any person (including but not limited to Lessor's and Lessee's employees, agents, contractors, contractor's employees, invitees or guest of invitees), and/or for the damage to property of any person, including the loss or loss of use of enjoyment of property of any person.

**F. Entire Agreement:**

The Lease, together with the exhibits attached thereto (including this Exhibit A), all of which are incorporated into the Lease by reference, is the entire agreement between the parties with respect to the subject matter thereof, and no alteration, modification or interpretation shall be binding unless in writing and signed by both parties.

**G. Severability:**

If any provision of the Lease or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of the Lease or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

**H. Applicable Law:**

The Lease shall be construed and enforced in accordance with the laws of the State of Texas.

**I. Successors Bound:**

The Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and permitted assigns.

**J. Captions:**

The captions in the Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the Lease or the scope or content of any of its provisions.

**K. Attorney's Fees:**

In the event of any litigation arising out of the Lease, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

**L. No Partnership:**

Nothing contained in the Lease shall be construed to create a partnership or joint venture between the parties or their successors in interest.

**M. Counterparts:**

The Lease may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

**N. Conflicts:**

In the event of a conflict between any of the terms and provisions contained in this Exhibit A and the terms and provisions in the Lease, the terms and provisions contained in this Exhibit A shall govern and control.

S. **Insurance:**

Lessee shall at all times maintain in force and effect liability insurance of the type and in the amounts than are usual and customary in the oil and gas industry given the type of operations, the location of the property and the risks encountered in connection with the development and operation of similar oil and gas properties and provide Lessor with evidence of same.

**SIGNED FOR IDENTIFICATION**

ALLIANCE HOTEL II, LTD.

By Alliance Subrs, Inc., its general partner  
Charles Dubroff

By: Charles Dubroff, ~~Managing Partner~~ Pres. & CEO

QUICKSILVER RESOURCES, INC. <sup>KS</sup>

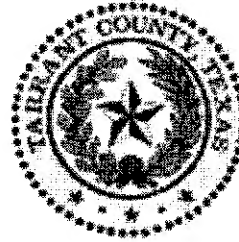
Kathleen A. Boone

By: KATHLEEN A. BOONE  
It's: ATTORNEY IN FACT

After recording return to:

Quicksilver Resources Inc.  
777 West Rosedale  
Suite 300  
Fort Worth, Texas 76104

Attn: Stacy Gumbert



QUICKSILVER RESOURCES INC  
777 WEST ROSEDALE SUITE 300

FT WORTH TX 76104

Submitter: CHRISTOPHER MULVANEY

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 05/13/2009 03:19 PM  
Instrument #: D209128427  
LSE 6 PGS \$32.00

By: \_\_\_\_\_



**D209128427**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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